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EXECUTIVE LEADERSHIP IN A DEMOCRACY¹

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ECONOMY is a rather dry subject in normal times. Budget making, accounting, business organization, does not appeal to the imagination of the electorate, but there are epochs in the country's history when they assume a supreme importance that gives them a dramatic interest. We are living in such an epoch today. The courage of our soldiers and the inventive genius of our scientists will not be adequate to win the war unless we are supported by financial ability and resourcefulness. The Federal Reserve Bank Act came just in time to make the great resources of this country available, but the employment of those resources and the conservation of them are still controlled by methods so archaic as to preclude any successful efforts at economy and efficiency.

There seems to be only one end to which all the ingenuity of our people today is given, and that is the increasing of the public revenue. We are forever seeking new expedients in taxation. We do not need more money so much as we need to use it aright. It was only a very short time ago that at an address in this city a representative of the national government is reported to have said, "We will tax the rich man more and more until he has very little left." That sort of shallow Bolshevist thinking is too current, and it will continue current until the intelligence of this great country comes to appreciate what a menace to democracy and civilization there is in financial recklessness. It may be true, of course, that the recklessness of the national government and of our governments all over, has been due to private improvidence. We have been a wasteful people, we have had money to burn and we have burned it, but we have now come face to face with a realization of the fact that the ultimate cost of this great war must be paid out of our private savings. We cannot go on placing our liberty loans and issuing city bonds in the hope that they will be

¹Introductory address as presiding officer at the National Conference on War Economy, June 5, 1918.

taken until we cut out both public and private waste. We are giving the very best we have in this great struggle for democracy, and we cannot afford to permit a spendthrift disposition of the resources upon which the future of the American people depends. There is no politics in this issue at all. The waste of public money is neither a Democratic nor a Republican peculiarity, its real sources lie deeper than that; it lies in the negligence that characterizes popular sovereignty, for the trouble is that our people pay no attention to administration after they have once elected a candidate for office. This sort of negligence has been a real misdemeanor in the past, but that misdemeanor will in these times of trial speedily become a felony if not corrected.

Now we cannot load the responsibility for our fiscal misconduct upon the shoulders of officials. The fact is that if the public insist upon the officials using old-fashioned tools and archaic methods and worn-out machinery they cannot expect from them the best productivity. We need new machines as well as trained men. We have not in the past had so large a reservoir as we ought to have had for supplies of trained public officials, nor have our great institutions of learning risen to a realization of the fact that public service is a profession. It is true that the uncertain tenure of office has operated to discourage to some degree preparation for public service, but the merit system has in large measure corrected that, and the growing demand throughout the country for qualified men will correct it further. It is time that the great institutions of learning seize this opportunity to measure up to their responsibility by graduating men equipped to make governmental administration scientific, practical and efficient. But however efficient an administrator may be he can always learn a good deal from the talents and the experience of his fellow citizens. In the past our people have been altogether too prone either to give to their administrators an irrational and often unmerited adulation, or an equally irrational and unmerited condemnation. The time has come when the citizen must learn to co-operate with his administrator, and to give whatever talent he possesses to making that administrator successful, no matter who he is or what his politics are. To this end Chambers of Commerce, Boards of Trade and other civic agencies should regard it as part of their functions in representing citizenship to give to

their local administration the value of the services of organized effort.

This is no time for us to criticize unless we criticize temperately, informedly and justly. It certainly is no time for us to condemn unless we find that officials are absolutely recalcitrant to every friendly offer of co-operation and absolutely deaf to every suggestion that may be courteously made. Our duty is to offer co-operation, and experience has shown to us that public officials are ready to welcome co-operation when it is tendered with an open hand, just as they are disposed to reject it when it is tendered with the mailed fist. It is the duty and the function of the citizen to be the co-operator with his administrator. The American electorate has grown into its adolescence, and it is about time that it should abandon the youthful practice of senseless mud slinging. Our campaigns, I trust, will be conducted hereafter upon grounds of policy and common sense, and not of personalities. What is needed more than anything else today, it seems to me, is a careful study by officials of the organization of government, a study conducted in the light of the experience of the best managed private corporations, for in the last fifteen or twenty years very great progress has been made by them in the elimination of waste, and in getting every particle of value out of every dollar spent.

Our governmental framework has been like that of a cottage erected for a family without any provision at all for an increase in the family's size, and to which had been added from time to time wings and stories and corridors and staircases, quite unrelated and inaccessible to one another; while what we want is a structure of the old colonial type, with its broad central hall and adjoining wings, every room accessible to the center, and with every facility for successful operation, so that the responsibility for cleanliness and order and efficiency and economy may be loaded right where it belongs, upon the shoulders of the house-keeper.

In the last half century we have entered upon a new phase of civilization. The English publicists call it the New Democracy. We have commenced and are now going along to an unparalleled degree in using the resources of government and exercising its powers in an effort to solve the great problems that spring out of the disabilities of the poor. The community has begun to realize the responsibility it has for its poorer and weaker members. We

are not socialists, we are simply passing from an age of academic individualism into an age of scientific and rational individualism. We are discovering the possibility of citizen co-operation through the agency of organization. But this policy is a costly policy in money. I have not the time nor the desire to reason out how successful may be the expenditure of money in matters of what they call beneficence, but it can be readily proved that almost every dollar that we have been spending in this city in the past has been of some practical benefit to the community economically. However, it is a costly experiment, and only by a very rigid economy can this movement be accelerated, thereby aiding us to realize the idea of democracy. In this particular time when the pressure of war expenditure is so great, of course the tendency and the desire is to some degree to limit the ministry of mercy on the part of the city. I trust we shall never do anything of that kind, for after all the only way in which we can realize these ideals is by strict economy. We can spend if we will only save.

In the national government today we find the president of the United States summoning to his assistance, his councils, his advice, the greatest men whom the nation has to offer. Perhaps that may be a prophecy, it may be an intimation of what will come after the war, when these men who have consumed so many years of their lives in their own industrial pursuits shall be called upon to advise, co-operate, as they ought to co-operate, with the elected authorities. If that is done, a new era will arise for us, because the large intelligence that this country is possessed of today is an immense reservoir of power and possibility if only drawn upon aright.